

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:3335
ANSWERED ON:13.08.2001
LOSS OF HCI
VIRENDRA KUMAR

Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether the Hotel Corporation of India(HCI) is running in loss;
- (b) if so, since when the Hotel Corporation of India has been running at loss and the reasons therefor; and
- (c) the steps so far taken to improve its performance?

Answer

THE MINISTER OF CIVIL AVIATION (SHRI SHARAD YADAV)

(a) and (b):- HCI is running at loss since 1999-2000. The main reasons of losses are :-

- (i) the Centaur Hotel Delhi had not been renovated since its inception which resulted in continuous deterioration;
- (ii) the above factor has led to decline in hotel occupancy and thereby reduction in revenue earnings;
- (iii) the Centaur Srinagar had been incurring losses since inception except in 1987-88, due to political disturbances in the valley from 1988;
- (iv) Downturn in travel and tourism, leading to over supply room capacity and very low yields consequent on competitive rate reduction; and
- (v) Increase in salary burden, due to finalisation of various wage agreements.

(c):- The steps being taken to turn the loss making units into profitable, include the renovation of 100 rooms in Centaur Delhi and 60 rooms in Centaur Mumbai and 84 rooms in Mumbai Juhu; intensive sales campaign covering corporate houses; launching of Millennium offer; and introduction of Centaur Gold Card etc.